VZCZCXRO4521 PP RUEHBI RUEHCI RUEHDBU RUEHLH RUEHNEH RUEHPW DE RUEHEK #1139/01 2931046 ZNY CCCCC ZZH P 201046Z OCT 09 FM AMEMBASSY BISHKEK TO RUEHC/SECSTATE WASHDC PRIORITY 2749 INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE RUCNCIS/CIS COLLECTIVE RHEFDIA/DIA WASHDC RUEKJCS/OSD WASHDC RUEAIIA/CIA WASHDC RHEHNSC/NSC WASHDC RUEKJCS/SECDEF WASHDC RUEKJCS/JOINT STAFF WASHDC RUEHGV/USMISSION GENEVA 1562 RUEHVEN/USMISSION USOSCE 3614 RUCNDT/USMISSION USUN NEW YORK 3007 RUEHNO/USMISSION USNATO BRUSSELS BE RUEHBS/USEU BRUSSELS RUEHLMC/MILLENNIUM CHALLENGE CORP RUMICEA/USCENTCOM INTEL CEN MACDILL AFB FL

C O N F I D E N T I A L SECTION 01 OF 02 BISHKEK 001139

SIPDIS

DEPT FOR SCA/CEN (GORKOWSKI)

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TAGS: <u>PGOV</u> <u>PREL</u> <u>KG</u>

SUBJECT: KYRGYZ GOVERNMENT RESIGNS, PRESIDENT ANNOUNCES

SWEEPING CHANGES

REF: BISHKEK 1114

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Classified By: Ambassador Tatiana C. Gfoeller, Reasons 1.4 (b) and (d).

- 11. (SBU) SUMMARY: In a speech before Parliament today, President Bakiyev announced the outlines of sweeping government reforms. As part of the reforms, the President has created a new Presidential Institute which will replace the Presidential apparatus and be composed of several bodies, including a re-vamped Foreign Ministry and State Advisor on Defense, Security and Order. Following the speech, according to a news website, the entire government resigned, including all ministers, heads of state committees, and heads of state agencies. END SUMMARY.
- 12. (SBU) In a speech before Parliament today, President Bakiyev announced the outlines of sweeping changes in the structure of the government. The majority of the speech consisted of laying out principles and goals, and explaining changes in the government organizational chart. Bakiyev did not mention the names of any officials who would be gaining or losing jobs, nor did he offer any numbers regarding the people and resources that would be transferred between government ministries. Overall, Bakiyev estimated that the reforms would save half a billion Som (about \$11.6 million), or 1% of the annual government budget of 47 billion som (\$1.1 billion). Presumably, the majority of the savings would come from laying off government workers, but Bakiyev did not announce a total number of layoffs, or from which ministries the layoffs would come.

Restructuring the Office of the President

13. (SBU) Bakiyev said that only a five bodies would be part of the Presidential apparatus, renamed the Presidential Institute: the Presidential staff, the Secretariat, a Central Agency for Innovation, Development and Investment, the Foreign Ministry, and a State Advisor on Defense, Security and Order, responsible for coordinating the power ministries. The latter will take over the functions of the

current Security Council, which was also abolished. Additionally, a Presidential Conference, composed of the heads of the five Presidential agencies, plus the Prime Minister and the Speaker of the Parliament, will play a policy-coordinating function.

14. (SBU) The purpose of including the Ministry of Foreign Affairs within the Presidential Institute, according to the text of the speech, is to raise its stature so that it can better coordinate the foreign affairs activities and policy of the Government.

Kyrgyz Government Resigns

15. (SBU) Following the speech, according to a news website, the entire government resigned, including all ministers, heads of state committees, and heads of state agencies. As yet, there is no news of resignations within the Presidential Administration.

Comment

16. (C) The reforms announced today confirm what the Head of the Presidential Secretariat told us in an earlier meeting (REFTEL). At first glance, it would appear that the Secretariat is attempting to improve decision-making in the government and reduce bureaucratic delays. The President's behavior as he delivered the speech, however, did not indicate a deep involvement with the text. Several times, apparently getting bored with reading long lists of transferred government functions, he skipped to the end of

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sections, summing up with "and a lot more!" This is a significant change in the bureaucracy of Kyrgyzstan. It will only be possible to judge its implications as we see how the new structures are populated and how they function over the coming weeks and months.

GFOELLER